

COMMODORE INTERNATIONAL
ANNOUNCES PLANS FOR MAJOR
EXPANSION OF SEMICONDUCTOR
AND COMPUTER ASSEMBLY
FACILITIES; SETS HIGHEST
CAPITAL SPENDING PROGRAM
IN ITS HISTORY

New York, New York, June 8, 1981--

Mr. Irving Gould, Chairman of the Board of Commodore International Limited (NYSE:CBU), today announced that Commodore's Board of Directors had approved the largest capital spending program in the Company's history.

According to Mr. Gould, "the overall program will involve total expenditures of in excess of \$40 million over the next 24 months and will be spent primarily in the expansion of Commodore's existing semiconductor facilities in the United States, much of which is intended for Commodore's own internal needs, the establishment of new semiconductor facilities outside the United States and an increase in computer manufacturing capacity."

Mr. Gould went on to note that "approximately \$20 million will be spent on equipment and \$10 million on buildings and land related to Commodore's two major United States semiconductor facilities, MOS Technology in Valley Forge, Pennsylvania and Frontier Manufacturing in Costa Mesa, California."

"At MOS Technology", noted Mr. Gould, "Commodore's current internal needs and demand from outside customers far exceeds our current production capabilities. We expect to begin our expansion within 60 days, and this will enable us to almost triple our semiconductor wafer chip production from the current rate of 35,000 wafers per month to 100,000 wafers per month within 18 months."

Mr. Gould went on to note that "the expansion at Frontier would begin in September and is intended to enable this facility to manufacture N-Channel and CMOS silicon gate wafers within six months in addition to the CMOS metal gate chips now being manufactured. Equipment was also being ordered for both MOS Technology and Frontier which would enable Commodore to also manufacture HMOS semiconductor devices within 18 months. This will enable Commodore to have the versatility to run this process in either facility."

Mr. Gould further stated that "an additional \$9.7 million had been appropriated by Commodore to build a semiconductor facility in Southeast Asia for burn-in, testing, and packaging semiconductor devices, as well as assembling printed circuit boards for its computers. This expansion is expected to begin in approximately six months and be completed within 12 to 15 months from today."

"Overall," noted Mr. Gould, "for the fiscal year which ends this month, Commodore's semiconductor operations should record all-time high sales of in excess of \$35 million versus \$18.9 million in fiscal 1980, with a substantial further gain forecast for fiscal 1982 which begins in less than one month."

Mr. Gould concluded by noting that "the funds needed for this 24 month, \$40 million capital spending program would come from Commodore's current working capital, internally generated cash flow and existing lines of credit and compares to \$15 million which Commodore spent on capital improvements over the past two years."

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